

**DRAFT**

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**Telecommunications Division  
Carrier Branch**

**RESOLUTION T-16694  
February 13, 2003**

**RESOLUTION**

RESOLUTION T-16694. CITIZENS TELECOMMUNICATIONS COMPANY OF CALIFORNIA, INC. (CTC-CALIFORNIA) (U-1024-C). REQUEST FOR AUTHORITY TO INCORPORATE ADDITIONAL LANGUAGE FOR CREDIT ALLOWANCE FOR INTERRUPTIONS IN SERVICE INTO ITS TARIFF.

BY ADVICE LETTER NOS. 759, 759A and 759B, FILED ON SEPTEMBER 9, 2002, OCTOBER 24, 2002, AND NOVEMBER 1, 2002, RESPECTIVELY.

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**Summary**

This Resolution authorizes Citizens Telecommunications Company of California, Inc.'s (CTC-California's) request to incorporate additional language for Credit Allowance for Interruptions in Service into its tariff.

**Background**

CTC-California is a subsidiary company of Frontier, a Citizens Communications Company, (Frontier) which provides phone service in 24 states. Currently, CTC-California has Rules and Regulations tariff on file with the Commission.

In Advice Letter (AL) No. 759, filed September 9, 2002, CTC-California requests authority to incorporate additional more restrictive language for Credit Allowance for Interruptions in Service into its Rule No. 31, Limitation of Liability in Rules and Regulations tariff.

Telecommunications Division (TD) had reviewed the proposed additional language in CAL P.U.C. 2<sup>nd</sup> Revised Sheet No. 106 in AL No. 759, and found this tariff sheet unclear and not acceptable.

At the request of TD, CTC-California on October 24 2002, filed AL No. 759A to modify the proposed additional language to replace CAL P.U.C. 2<sup>nd</sup> Revised Sheet No. 106 in AL No. 759. TD reviewed AL No. 759A, and found the modified language still unacceptable.

On November 1, 2002, CTC-California filed AL No. 759B to make further modification on the proposed additional language to replace AL No. 759A in CAL P.U.C. 2<sup>nd</sup> Revised Sheet No. 106.

The proposed additional language in CAL P.U.C. 2<sup>nd</sup> Revised Sheet No. 106 in AL No. 759B reads as following:

*“The credit will not apply to “out of service” conditions resulting from the willful neglect, misuse or abuse by the customer. The credit will not apply to “out of service” conditions where the outage is in the customer’s inside wire or customer’s premises equipment. This credit will not apply to “out of service” conditions resulting from natural disasters, fire, extreme weather conditions such as flooding, earthquake or circumstances beyond the control and knowledge of the utility. This credit will not apply to “out of service” conditions for all services contained in this tariff as described in Schedule R11.1.31.B.3.”*

## **Notice/Protest**

AL No. 759 was filed on September 9, 2002, and appeared in the Commission Daily Calendar of September 11, 2002. AL No. 759A was filed on October 24, 2002, and appeared in the Commission Daily Calendar of November 1, 2002, and AL No. 759B was filed on November 1, 2002, and appeared in the Commission Daily Calendar of November 6, 2002. CTC-California states that copies of AL Nos. 759, 759A, and 759B have been sent to interested utilities and/or parties. Telecommunications Division (TD) has received no protest to AL Nos. 759, 759A, and 759B.

## **Discussion**

There are several telecommunications utilities in California who have similar tariffs on file with the Commission. Their tariffs indicate that there will be no credit allowance to customers for interruptions of service caused by the customer’s own facilities, equipment or system.

CTC-California, in AL Nos. 759, 759A, and 759B, requests authority to incorporate additional more restrictive language for credit allowance for interruptions in service into its tariff.

CTC-California states that this is a company-wide effort of Frontier to standardize its tariff language for limitation of liability. The exposure was highlighted when Frontier properties were exposed to several natural disasters recently, namely fires in Arizona and Oregon, and that some of the company's state tariffs did not adequately cover natural disaster exposure. In addition, Frontier wants to be clear that credits do not apply if an out of service condition is due to the customer's own neglect.

Moreover, CTC-California states that the language provides protection for the utility in those situations described in the proposed language. In this age of litigation, it is important for CTC-California to take necessary tariff language precaution.

TD has reviewed CTC-California AL Nos. 759, 759A, and 759B. TD finds that CTC-California's request in AL Nos. 759 and 759B for authority to incorporate additional more restrictive language for credit allowance for interruptions in service into its tariff reasonable. The proposed language, while more restrictive, clearly states that a credit allowance will not apply to service outages due to conditions beyond the utility's control.

TD recommends that the Commission approve this filing because a) limiting the liability against CTC-California for reasons beyond its control will benefit all customers in the long run because it will deter unnecessary litigation against CTC-California which could affect the utility's earnings, and b) several telecommunications utilities in California, including Pacific Bell and Roseville already have similar tariffs approved by this Commission.

In addition, TD recommends that the Commission require CTC-California to notify its customers through a bill insert regarding this additional more restrictive language for credit allowance for interruptions in service. Within 20 days after the effective day of this resolution, CTC-California should file a supplement AL to AL No. 759B to obtain the approval from both TD and the Commission's Public Advisor Office for the bill insert. No later than 40 days after CTC-California obtains approval of its bill insert, CTC-California should send out the approved bill insert to its customers. The additional language in CTC-California's AL No. 759 and CAL P.U.C. 2<sup>nd</sup> Revised Sheet No. 106 in AL No. 759B shall be effective no sooner than 30 days after the last bill round containing the bill insert is sent.

Based on the above discussion, we find TD's recommendations reasonable. Commission approval is based on the specifics of this Advice Letter and does not establish a precedent for the contents of future filings.

The draft resolution of the Telecommunications Division in this matter was mailed to parties in accordance with PU Code Section 311 (g)(1). Comments received on a timely basis will be addressed by the Communications Division in this resolution.

## Findings

1. CTC-California's Rule No. 31, Limitation of Liability, is contained in its Rules and Regulations tariff which is on file with the Commission.
2. There are several telecommunications utilities in California who have similar tariffs on file with the Commission. Their tariffs indicate that there will be no credit allowance to customers for interruptions of service caused by the customer's own facilities, equipment or system.
3. In AL Nos. 759, 759A, and 759B filed September 9, 2002, October 24, 2002, and November 1, 2002, respectively, CTC-California requests to incorporate additional more restrictive language for Credit Allowance for Interruptions in Service into its Rules and Regulations tariff.
4. The proposed additional language in CAL P.U.C. 2<sup>nd</sup> Revised Sheet No. 106 in AL No. 759B reads as following:

*"The credit will not apply to "out of service" conditions resulting from the willful neglect, misuse or abuse by the customer. The credit will not apply to "out of service" conditions where the outage is in the customer's inside wire or customer's premises equipment. This credit will not apply to "out of service" conditions resulting from natural disasters, fire, extreme weather conditions such as flooding, earthquake or circumstances beyond the control and knowledge of the utility. This credit will not apply to "out of service" conditions for all services contained in this tariff as described in Schedule R11.1.31.B.3."*

5. Telecommunications Division (TD) has reviewed CTC-California AL Nos. 759, 759A and 759B. TD finds that CTC-California's request in AL Nos. 759 and 759B for authority to incorporate additional more restrictive language for credit allowance for interruptions in service into the tariff reasonable and recommends Commission adoption of CTC-California's request.
6. TD recommends that the Commission require CTC-California to notify its customers through a bill insert regarding this additional more restrictive language for credit allowance for interruptions in service. Within 20 days after the effective day of this resolution, CTC-California should file a supplement AL to AL No. 759B to obtain the approval from both TD and the Commission's Public Advisor Office for the bill insert. No later than 40 days after CTC-California obtains approval of its bill insert, CTC-California should send out the approved bill insert to its customers. The additional language in CTC-California's AL No. 759 and CAL P.U.C. 2<sup>nd</sup> Revised

Sheet No. 106 in AL No. 759B shall be effective no sooner than 30 days after the last bill round containing the bill insert is sent.

7. We accept TD's recommendation to grant CTC-California authority to incorporate additional language as specified in Finding No. 4 to its Credit Allowance for Interruptions in Service tariff.

**THEREFORE, IT IS ORDERED that:**

1. CTC-California is granted authority to incorporate additional language as specified in Finding No. 4 to its Credit Allowance for Interruptions in Service tariff.
2. The tariff sheet in AL No. 759A shall be marked to showed that it was cancelled by California Public Commission Resolution No. T-16694 and its effective date.
3. Within 20 days after the effective day of this resolution, CTC-California shall file a supplement to AL No. 759B to obtain the approval from TD and the Commission's Public Advisor Office for the bill insert described in Finding No. 4.
4. No later than 40 days after CTC-California obtains approval of its bill insert, CTC-California shall send out the approved bill insert to its customers.
5. The tariff sheets in AL Nos. 759 and 759B shall be marked to show that they were authorized by California Public Commission Resolution No. T-16694 and its effective date shall be no sooner than 30 days after the last bill round containing the notice described in Finding No. 4 is sent.
6. CTC-California shall notify the Director of the Communications Division by letter within 5 days after the last bill round is sent indicating the effective date of tariffs contained in AL Nos. 759 and 759B.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 13, 2003. The following Commissioners approved it.

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WESLEY M. FRANKLIN  
Executive Director